

AMENDING THE HAWAIIAN ORGANIC ACT, AS AMENDED,
RELATING TO THE AUDIT OF GOVERNMENT (TERRI-
TORIAL AND COUNTY) ACCOUNTS

JUNE 27, 1956.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed.

Mr. ENGLE, from the Committee on Interior and Insular Affairs,
submitted the following

R E P O R T

[To accompany H. R. 9265]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 9265), to amend the Hawaiian Organic Act, as amended, relating to the audit of Government (Territorial and county) accounts, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment is as follows:

Page 2, lines 5 and 6, strike out the words "by a majority vote of each house of the legislature in joint session" and insert the words "by the Governor by and with the advice and consent of the Senate,".

EXPLANATION OF THE BILL

The purpose of H. R. 9265, as amended, is to amend the Hawaiian Organic Act, as amended, relating to the audit of government (Territorial and county) accounts.

If enacted, H. R. 9265, as amended, would authorize the Territorial Government of Hawaii to redesignate the positions of auditor-general and deputy auditor-general as comptroller and deputy comptroller and would provide for the appointment of an official within the government of the Territory of Hawaii to be known as the post-auditor. The precise functions of the post-auditor would be prescribed by the territorial legislature and would somewhat parallel, on the territorial level, those of the Comptroller General of the United States on the Federal level.

At present the territorial auditor-general performs some of the duties envisaged for the post-auditor. Currently this person's principal duties are those of a general accounting officer within the executive department.

H. R. 9265 has been amended to provide that the post-auditor would be appointed by the Governor by and with the advice and consent of the Territorial Senate. He would be subject to removal for cause by a two-thirds vote of the legislature. This amendment was adopted in the belief that it conforms more closely to the procedure prescribed in existing law covering similar circumstances than did the language of the bill as introduced.

The Governor of Hawaii and the Territorial Legislature have recommended enactment of legislation providing for the position of post-auditor.

The favorable reports of the Department of the Interior and the Bureau of the Budget dated June 15 and June 13, 1956, respectively, are as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., June 15, 1956.

HON. CLAIR ENGLE,
*Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.*

MY DEAR MR. ENGLE: This is in response to your request for the views of this Department on H. R. 9265, a bill to amend the Hawaiian Organic Act, as amended, relating to the audit of government (Territorial and county) accounts.

We recommend that the bill be enacted, were it to be amended in the manner suggested herein.

H. R. 9265 would redesignate the positions of auditor-general and deputy auditor-general as comptroller and deputy comptroller, and would provide for the appointment of an official within the government of the Territory of Hawaii to be known as the post-auditor. The bill does not give a precise definition of his functions, which are to be prescribed by the territorial legislature, but it is apparent that they will encompass generally those functions customarily described by the term "post audit", probably along lines similar to the functioning of the Comptroller General of the United States.

No position precisely comparable to this one now exists within the territorial government. The auditor-general now performs some post-audit functions but his principal duties are those of a general accounting officer within the executive department.

The bill would provide that the post-auditor would be appointed by the legislature. We believe, however, that it would be more appropriate to provide that the post-auditor be appointed by the Governor, in line with the practice of the Federal establishment and of most of the States. He could still be subject to confirmation by the territorial senate, and by the terms of the bill he would be subject to removal for cause by a two-thirds vote of the legislature. In order to effectuate this proposal, we suggest that the bill be amended by deleting the words "by a majority vote of each house of the legislature in joint session", appearing on page 2, lines 5 and 6, and in lieu thereof inserting the words "by the Governor by and with the advice and consent of the Senate".

Both the Governor of Hawaii and the territorial legislature have recommended enactment of legislation providing for the position of post-auditor.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 13, 1956.

HON. CLAIR ENGLE,
*Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: This is in reply to your request for the views of the Bureau of the Budget on H. R. 9265, a bill to amend the Hawaiian Organic Act, as amended, relating to the audit of government (Territorial and county) accounts.

The bill would change the names of the positions of auditor-general and deputy auditor-general to comptroller and deputy comptroller, and would provide for a position of post-auditor.

Our understanding is that the purpose of the bill is to place responsibility for the audit function in an official who is independent of the official responsible for general accounting.

The Secretary of the Interior, in a separate report he is making to your committee, suggests that the post-auditor be appointed by the Governor subject to confirmation by the Territorial senate. Selection by this method is followed by the Federal Government and a good many of the States, and we recommend it as preferable to appointment by the legislature as provided in H. R. 9265.

You are advised that the Bureau of the Budget would have no objection to enactment of this measure.

Sincerely yours,

ROBERT E. MERRIAM,
Assistant to the Director.

The Committee on Interior and Insular Affairs recommends enactment of H. R. 9265, as amended.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 77 OF THE HAWAIIAN ORGANIC ACT (31 STAT. 156; 48 U. S. C. 542)

[That there shall be an auditor and deputy auditor, who shall have the powers and duties conferred upon them and required of the auditor general and deputy auditor general, respectively, by act thirty-nine of the session laws of Hawaii, as amended by this Act, subject to modification by the legislature.]

SEC. 77. COMPTROLLER AND DEPUTY COMPTROLLER. There shall be a comptroller and deputy comptroller, who shall have the powers and duties conferred upon and required by the auditor-general and deputy auditor-general, respectively, by act thirty-nine of the session laws as amended by this Act, subject to modification by the legislature. In said act "officer" shall be substituted for "minister" where used without other designation.

SEC. 77A. POST-AUDITOR. There shall be a post-auditor who shall be appointed by a majority vote of each house of the legislature in joint session, who shall serve for a term of eight years and until a successor shall have been duly appointed. He shall have such powers and duties relating to the post-audit of Territorial and county accounts and appropriations as may be prescribed by law. The legislature, by a two-thirds vote of the members in joint session, may remove the post-auditor at any time for cause.

